

2013 FEDERAL EMPLOYEE OF THE YEAR AWARD WINNER

Category 4 - Outstanding Law Enforcement Employee

Peter Chlimon

Internal Revenue Service

FACTOR I - JOB COMPETENCE

Peter works for the Internal Revenue Service (IRS) as an internal revenue agent. He works for the Small Business and Self Employed division (SB/SE) in the abusive transactions group. This work requires agents to conduct investigations of tax return preparers primarily that have been referred to this specialty group for further investigation. These cases are assigned only to this group of trained investigators and Peter is a leader in the group. Other peer agents locally and across the country seek out his advice and input on their cases because of his developed expertise.

Peter is a very knowledgeable and extremely motivated revenue agent. Since starting with the IRS in 2001, Peter has earned the respect and admiration of others both within the IRS and at the Department of Justice (DOJ). Other senior agents routinely seek Peter's advice when working difficult cases. Department of Justice attorneys have nothing but high praise for Peter's work, and are delighted when they find out Peter is assigned to their case. Peter is an expert when it comes to working large and complex preparer investigations. Peter has been a leader in the two largest civil preparer investigations in the history of the IRS.

The first case involved the investigation of one of the largest return preparer franchisors in the country. At the time, it was the largest enforcement action of its kind. This investigation involved four major metropolitan areas across the United States. Because of the large volume of returns, this enforcement action was significantly different from any other civil compliance action for aiding and abetting in the preparation of improper returns. Peter was instrumental in designing and developing new processes to conduct this investigation. Thousands of returns were impacted with respect to their overall compliance and quality because of this investigation. This case attracted significant media attention, had a major impact in changing the way the franchisor addresses compliance and captured the attention of the entire return preparation industry. The Department of Justice honored Peter with the United States Attorney General's Special Contribution Award for his outstanding work on this investigation.

Peter leveraged the knowledge and expertise he gained from this case to conduct an investigation of another large return preparer franchisor. This investigation is still ongoing, and just like the previous one, it has national compliance implications and involves many large cities across the country.

Peter is without a doubt a leader in the country and has earned the respect of his peer abusive transactions agents along with his management team and DOJ. Return preparer compliance is in our strategic objectives within the goal of enforcing the law to ensure everyone meets their tax obligations. Peter exemplifies what it means to gain compliance on a large scale and does so efficiently.

FACTOR II - IMPACT

It is worth noting that Peter was involved in the largest civil investigation in the history of the IRS a few years ago, and this year he is involved in the second largest civil investigation. In addition, because of his reputation and expertise, he is advising on two other large investigations as needed in other Areas within SB/SE. Peter's success is simply unheard of within the IRS. It is highly unusual for a person to have one "career" case of this magnitude, yet Peter has led two and is now advising on two other large cases. He has now been involved in the four largest civil cases in the history of IRS. He led two of these. Most agents will not be involved in any cases of this magnitude, Peter has four, and he has been with the IRS for just 12 years. How will he top that in the years ahead? We can hardly wait to see!

The magnitude of the impact on compliance is very compelling. These cases were sent to the Department of Justice for filing of lawsuits to hold both tax preparation operations accountable for the illegal actions they were engaged in; and, the court granted the Government motions to enjoin both of these operations. There were numerous individuals involved and many have been barred from preparing tax returns for their lifetime, thus preventing any repeat of this behavior.

What if I were to tell you that his actions saved the Government millions of dollars if not over a billion dollars? What if his actions protected thousands of taxpayers from the behavior of these unscrupulous return preparers thus saving them collectively, multiple millions of dollars? What if the expertise Peter developed in the investigation of these large return preparer operations has forever changed the landscape of how all return preparers are investigated going forward? All of these are true. Peter's impact on compliance, particularly the area of return preparer compliance, has forever changed the way these investigations are conducted. This is true not just in Chicago, but across the United States. His impact on compliance is unparalleled and we are just thrilled to have him on our team. He has protected the taxpayer who expects tax laws be applied fairly and consistently to all, he has protected the customers of these return preparers from the unscrupulous behavior of these companies, and he has forever changed the landscape internally about how these investigations will be conducted from this point forward.

Peter consistently develops the relevant facts and then properly applies the tax law. Peter has testified at an injunction hearing; and in part because of his testimony, the Court ordered a full injunction against the preparer. Others both within and outside the IRS have noticed his tremendous talent for developing the facts and presenting them in a coherent and meaningful manner. For instance, on two occasions Criminal Investigation Division (CID) and the Assistant U.S. Attorney's office requested that Peter testify at the criminal proceedings. Peter expertise, hard work and diligence made these the most successful compliance effort of their type ever undertaken by the Service. The perseverance and commitment shown by Peter will have an impact on compliance and the preparer industry well into the future.

In recognition of Peter's outstanding work on one of these complex preparer investigations, which advanced the IRS's strategic objectives and made a significant impact on tax administration, Peter was awarded the IRS Excellence Award by the Commissioner of the Small Business/Self Employed Division. Peter has also received a performance award, special act award and a manager's award due to his skills in working these large complex return preparer investigations.

FACTOR III - SPECIAL EFFORTS

These complex and large investigations are fluid and often there are few internal guidelines on how to conduct these types of investigations. Peter's keen ability to design and implement new and innovative evidence gathering techniques and methods has been instrumental not only in the success of these large investigations but for numerous other abusive return preparer investigations. Because of the complexity of investigating large operations, the process is very different from investigating smaller operations. Peter is truly the only person with experience in these types of large investigations up until now. The volume of evidence to be gathered is overwhelming; the need to properly catalog and analyze the evidence is daunting; and the need to preserve and ensure the evidence is obtained within the established legal framework is no easy task. The issuance of multiple summonses and subsequent enforcement of such summonses is a challenging but often routine part of these types of investigations. Peter was required to give depositions or testify in support of these cases, which can be extremely stressful even under the best circumstances. Because of the size of these investigations, numerous internal aspects must be communicated, including periodic briefings up the chain of command to include the division Commissioner's office. Peter must coordinate closely with DOJ, IRS Counsel, Criminal Investigation Division, management and numerous other functions within the IRS, which he did very well. He had to travel extensively, and the schedule he maintained to utilize the most time to interview witnesses and collect evidence went far beyond what would be considered a normal workday. There were very long hours indeed, but it was his self-imposed schedule because he wanted to maintain that schedule to ensure he had time to collect as much evidence as possible.

Peter has assisted Area Counsel and the Department of Justice with numerous IRC 6701 investigations. Peter's tireless and methodical pursuit of evidence from numerous third party sources was a key factor in allowing the Department of Justice to go forward with these cases.